

time, *inter-alia*, provides up to 16 per cent return on paid up and subscribed capital relatable to the generating unit as a part of fixed cost of the tariff for sale of power by the generating companies to the concerned State Electricity Board at 68.49 per cent Plant Load Factor (PLF). For generation of above 68.49 per cent PLF an additional incentive of up to 0.7 per cent of paid up and subscribed capital, for each percentage point increase of PLF above the normative level of 68.49 per cent PLF, shall be payable.

(d) Under the revised procedure for extension of counter-guarantee of the Government of India, it was *inter-alia*, decided that counter guarantee will be given only for the event of termination and will be limited to the outstanding foreign debt only. Normally the counter-guarantee will remain in force for a period of 12 years from the date on which the power station is declared commercially operational.

(e) In a letter dated 11th February, 2000, M/s, Cogentrix Energy Inc., the promoters of the Mangalore TPP have informed that they have transferred their interests in the Mangalore Power Project and Mangalore Power Company to China Light (Mauritius) Ltd. and have no further interest in the project or the Company.

#### **BHEL's Capacity to manufacture Power Plant**

1261. SHRI C.O. POULOSE: Will the Minister of POWER be pleased to state:

(a) whether Government are aware that BHEL is able and willing to undertake the manufacture power plant equipment of high and globally competitive standards;

(b) whether Government are also aware that NTPC has demonstrated its efficiency in the construction and running of power stations and BHEL and NTPC can together add 600 MW of power to the generation capacity annually; and

(c) if so, what steps have been taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir.

(b) Yes, Sir. NTPC is going ahead with its capacity addition programme as per its approved Corporate Plan. Tenders are invited for their projects and

[7th March, 2001]

**RAJYA SABHA**

BHEL is also an active participant in the bidding process. Therefore, it is difficult at this stage to indicate on which future projects/capacity addition programme BHEL will be collaborating with NTPC.

(c) In view of the above, does not arise.

**Production Capacity of Electricity**

†1262. SHRI BRATIN SENGUPTA: Will the Minister of POWER be pleased to state:

(a) the target set for the production capacity of electricity for the public and private sectors for the next decade;

(b) the measure to be taken to fulfil the gap between demand, consumption and production;

(c) if so, the total amount required to achieve this target; and

(d) the resources from which necessary investment is likely to be made to achieve the said target?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) to (d) It is presently estimated that in order to meet full demand of electricity by 2012, an additional capacity of approximately 1,00,000 MW needs to be set up by the end of 11th Five Year Plan. Projects aggregating to 55159 MW during the 10th Plan and 51603 MW during 11th Plan have been tentatively identified so far by the Central Electricity Authority (CEA). Based on the present price levels the cost of generation is estimated at around Rs. 4 crore/MW. Almost an equal amount is generally required for the matching transmission and distribution facilities. Accordingly, the estimate for 1,00,000 MW capacity addition works out to Rs. 8,00,000 crore.

The funds required for Central Sector would be raised through internal resources including retained earnings, issue of bonds, etc. Additionally resources would be tied up by way of foreign assistance from bilateral/ multilateral institutions like World Bank, ADB, JBIC etc. The funds required for the State Sector would be obtained through internal resources of SEB/utilities, Annual Plan allocations, loans from Indian Financial Institutions and bilateral/ multilateral assistance. The private sector is projected to meet nearly 1/3rd of the additional installed capacity through their own equity, retained earnings

---

†Original notice of the Question was received in Hindi.